

# **Lake County Public Works Northeast Central Wholesale Sewer System**

Schedule of Income and Expenses  
For the Year Ended November 30, 2020

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RSM US LLP

## Independent Auditor's Report on the Supplementary Information

Public Work Committee  
Lake County Public Works  
Waterworks and Sewerage Systems Fund  
Libertyville, Illinois

We have audited the financial statements of Lake County Public Works, Waterworks and Sewerage Systems Fund (Public Works), an enterprise fund of Lake County, Illinois, as of and for the year ended November 30, 2020, and have issued our report thereon, dated September 14, 2021, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to September 14, 2021.

The accompanying Schedule of Income and Expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 2.

*RSM US LLP*

Chicago, Illinois  
October 15, 2021

**Lake County Public Works  
Northeast Central Wholesale Sewer System**

**Schedule of Income and Expenses  
For the Year Ended November 30, 2020**

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Operating revenues:	
Sewer charges	<u>\$ 5,274,639</u>
Operating expenses:	
Personnel services:	
Salaries and wages	254,166
Pension - IMRF and Social Security	39,692
Total personnel services	<u>293,858</u>
Commodities:	
Office supplies and maintenance	12,904
Housekeeping supplies	404
Gasoline	7,207
Buildings and ground supplies	1,785
Operational supplies	50,419
Uniforms	1,929
Medical supplies	326
Noncapitalized equipment and improvements	10,185
Total commodities	<u>85,159</u>
Contractual:	
Insurance:	
Employees' life, health and dental	75,552
Unemployment	38,963
Miscellaneous benefits	7,594
Gas (utility)	1,456
Electricity	42,712
Telephone and telemetry	23,355
Wholesale sewage treatment	4,230,201
Vehicle maintenance	7,246
Buildings and equipment maintenance	33,672
Equipment rental/real estate lease	730
Disposal service	407
Miscellaneous	236,781
Total contractual	<u>4,698,669</u>

(Continued)

**Lake County Public Works  
Northeast Central Wholesale Sewer System**

**Schedule of Income and Expenses  
For the Year Ended November 30, 2020**

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Depreciation	<u>\$ 232,342</u>
Total operating expenses	<u>5,310,028</u>
<b>Operating loss</b>	<u>(35,389)</u>
Nonoperating revenues (expenses):	
Interest rate subsidy	6,671
Interest expense	<u>(40,196)</u>
Total nonoperating revenues (expenses)	<u>(33,525)</u>
<b>Loss before contributions</b>	(68,914)
Contributions:	
Capital contributions - connection fees	<u>73,954</u>
<b>Revenues over expenses</b>	<u><u>\$ 5,040</u></u>

See accompanying notes to schedule.

**Lake County Public Works  
Northeast Central Wholesale Sewer System**

**Notes to Schedule**

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**Note 1. Nature of Schedule of Income and Expenses**

The Schedule of Income and Expenses (schedule) is reported using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred. The revenues and expenses presented here are allocated to the Northeast Central Wholesale Sewer System from the Public Works' fiscal year 2020 audited financial statements dated September 14, 2021.

**Note 2. Reconciling Items**

The attached schedule was not prepared in accordance with accounting principles generally accepted in the United States of America and only represents revenues and expenses associated with the Northeast Central Wholesale Sewer System's operations and does not include all revenue and expense categories as shown in the Public Works' fiscal year 2020 audited financial statements. Items not presented in the attached schedule include:

- Noncash capital contributions
- Proceeds from sale of capital assets
- Investment income

The above items were not allocated to the Northeast Central Wholesale Sewer System. The schedule presented here only reports similar revenues and expenses as used in designing the Public Work's current rate structure during the most recent rate study.

**Note 3. Items Specific to the Northeast Central Wholesale Sewer System**

**Interest expense, issuance costs, interest charged to construction and interest rate subsidy:** The Build America Bond Series of 2010A was issued to complete various water and sewer capital projects. The associated interest expense, issuance costs and interest rate subsidy were allocated to the Northeast Central Wholesale Sewer System based on the actual projects funded through this debt that were directly related to the Northeast Central Wholesale Sewer System customers. Principal payments and interest charged to construction are not included in the schedule as the related capital improvement charges are recovered through depreciation.